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DIA review(s) completed.

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National Intelligence Daily Cable for Wednesday, April 13, 1977.

The NID Cable is for the purpose of informing senior US officials.

CONTENTS

PAKISTAN: Serious Demonstrations Page 1

LEBANON-SYRIA: Situation Report Page 3

ZAIRE: Situation Report Page 4

KUWAIT: Oil Find Near Iraq Border Page 6

USSR-AFGHANISTAN: Daoud's Visit Page 7

25X1

NORTH YEMEN: Assassination Aftermath Page 8

LAOS-THAILAND: Mekong Islands Page 11

HAITI: Economic Problems Page 13

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PAKISTAN: Serious Demonstrations

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[redacted] The US embassy reports that demonstrations in Pakistan may have gained a momentum of their own and that it will be very difficult, if not impossible, for Prime Minister Bhutto to stop them. Although Bhutto could still survive, there are signs that the military is reluctant to save him. Should he fall, the military presumably would take over, although possibly for only a brief period. Ultimately, the opposition, which is deeply divided on almost every issue except Bhutto's removal, could come to power.

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[redacted] The embassy reports a continuing deterioration in the political situation, with demonstrations continuing in most major cities in the Punjab and the Sind, Pakistan's two main provinces.

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[redacted] According to press reports, demonstrators used hand grenades against the police in Lahore yesterday and serious violence also erupted in Karachi and Multan.

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[redacted] Bhutto has not appeared in public since Saturday. The embassy believes the rumors that he is under house arrest or that a military coup is imminent are a significant reflection of the erosion of his popular support.

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[redacted] Bhutto's continued effort to work out a compromise with his opponents may be another indication of his weakening position. The attorney general has publicly raised the possibility of a new National Assembly election, something Bhutto refused to consider in the past. The opposition, which might have been willing to accept this concession a week ago, now appears willing to settle only for Bhutto's surrender.

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[redacted] Many observers believe it is increasingly doubtful that the army will act to keep Bhutto in power. Foreign Minister Aziz Ahmed--one of Bhutto's closest associates--has been touring the country asking the military to support the Prime Minister, but, at least in Karachi, he reportedly received a poor reception.

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[redacted] If Bhutto were to leave office, it would probably be the result of pressure from senior army officers, who would then have to choose between keeping power in their own hands or turning the country over to the opposition. The generals might well be reluctant to rule for much longer than it would take to hold a new election.

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[redacted] The last period of military rule ended disastrously in December 1971 with the loss of the eastern half of the country--now Bangladesh--in the war with India. Many Pakistanis, possibly including some general officers, still doubt the military's ability to govern effectively.

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[redacted] It is possible that a figure capable of rallying enough popular support to perpetuate military rule could emerge, but no general now appears to have the prestige--or even the support in the armed forces--needed to establish a military dictatorship. Many of the generals would probably prefer to get out of politics as quickly as possible.

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[redacted] The opposition probably would agree to a short period of military rule--in fact, it has demanded that the military supervise a new election--but probably would take to the streets again if it believed the military planned to stay in power indefinitely.

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[redacted] The military would have misgivings about turning power over to the opposition. The opposition, a coalition of ten parties covering the political spectrum, would have difficulty deciding on any programs. Differences among opposition leaders could well lead to instability. Moreover, many officers view policies advocated by some opposition leaders as threatening Pakistan's existence.

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[redacted] All but one of the opposition parties belong to the Pakistan National Alliance, which contested the election last month as a single party. Most of these parties are basically secular in their outlook, but three advocate basing the government and the society on Islamic principles.



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[redacted] Former air force commander Asghar Khan, who emerged as the leading opposition spokesman during the election campaign, heads one of the secular parties in the alliance. He still commands the respect and loyalty of many in the military and is regarded by most Pakistanis as a man of principle. His devotion to principle, however, has at times limited his political effectiveness and resulted in seemingly erratic behavior. He helped found another party in the alliance, but left it almost immediately.

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[redacted] The alliance party of most concern to the military and to many Pakistanis in the Punjab and the Sind is the National Democratic Party, a broad spectrum that ranges from feudal tribal chiefs to left-wing labor agitators. Nearly all its supporters favor greater provincial autonomy, and a few advocate independence--or even union with Afghanistan--for the North-West Frontier and Baluchistan, Pakistan's western border provinces. Many Pakistanis believe that Wali Khan, the jailed leader of this party's outlawed predecessor organization, would dominate any government formed by the opposition.

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LEBANON-SYRIA: Situation Report

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[redacted] Fighting in southern Lebanon subsided yesterday as an undeclared cease-fire began to take effect. Despite sustained Palestinian-leftist attempts to drive the Christians out of Mari Ioun. the Christians still control the center of the town.

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[redacted] Some machine-gun and artillery fire continued yesterday. A Syrian officer told a US official in Damascus on Monday that although Syria had laid the groundwork for a cease-fire, it might take three or four days for the situation to stabilize. The officer noted that tensions are still high and that the leaders of the various factions do not have full control of their followers.

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[redacted] The Lebanese army commander, General Khoury, told a US official early this week that he hopes to deploy a force in the south within two weeks to supervise the cease-fire. He

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reportedly intends to rely heavily on a relatively small mixed Christian-Muslim group originally put together by the Syrians to form the nucleus of a new Lebanese army.

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[redacted] Khoury, recognizing that the new force will be able to maintain the peace only with the acquiescence of the Palestinians and the Christians, said that a cease-fire must be in effect before the force moves into place.

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[redacted] //Syria has begun to replace military units in Lebanon with fresh troops from Syria. [redacted] told the US defense attache in Damascus on Monday that the rotation would be gradual and that the troops to be moved into Lebanon would be drawn from assorted Syrian units.

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[redacted] //The rotation appears to have begun on Sunday when the first replacement units reportedly were observed heading toward Lebanon. About 30,000 Syrian troops have been stationed in Lebanon for nearly a year and are in need of rest, refitting, and training. Syrian forces in Lebanon have had little organized unit training since they entered the country, and their equipment reportedly has begun to deteriorate because it has been in the field a long time without proper maintenance.//

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ZAIRE: Situation Report

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[redacted] There are no new reports of fighting west of Kolwezi. Most of the first contingent of Moroccan troops are located in this area. They do not yet appear to have moved toward the Katangan forces, which are probably still over 50 kilometers away from Kolwezi.

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[redacted] A clash has been reported, however, to the west of Kafakumba, which could indicate a Katangan move toward Kamina. A Zairian unit in the area seems to have fled, leaving its weapons behind.

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[redacted] General Singa, the new Zairian commander in Kolwezi, has apparently established some control over the Zairian soldiers there and has sent many troops out of the city for re-training.

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[redacted] The first Moroccan troops apparently are mostly from a paratroop brigade. The overall Moroccan commander, Colonel Loubaris, served as commander of a Moroccan paratroop unit with UN forces in the Congo in 1960-1961. The US defense attache in Rabat reports Loubaris is a tough, able officer. He will be stationed in Kinshasa and has instructions to report twice daily to King Hassan.

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[redacted] Other recent gestures of support for Zaire have been made by Sudan, Mauritania, and the Central African Empire. Many African states, however, are withholding judgment because of the conflicting claims emanating from Kinshasa and Luanda.

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The Zairian air force did bomb two Zambian villages near the border last weekend following unconfirmed reports that Katangans were infiltrating via Zambia. Two persons were injured. Lusaka's attitude on the Shaba crisis is mixed. Any more such incidents could result in retaliation, such as shutting off fuel supplies to Shaba from Zambia's refinery.

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KUWAIT: Oil Find Near Iraq Border

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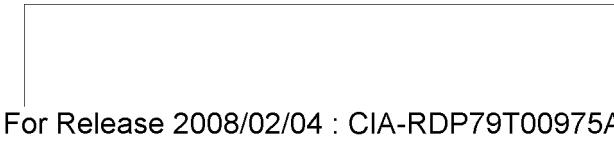
//Kuwait reportedly has discovered oil near the Iraqi border. Territorial quarrels have flared periodically between the two countries. In this case, we would expect Iraq to be less concerned about boundaries than about the possibility that Kuwaiti extraction from a field that may straddle the border could limit Iraq's own ultimate recoverable crude reserves.

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//Drilling operations in the area were resumed last November in what appeared to be a Kuwaiti response to several Iraqi incursions into Kuwaiti territory. The site of the Kuwaiti drilling, which is supported by troops, is not far from an oil operation Iraq began in early November just inside its territory. Iraqi troops are encamped between the Iraqi drilling site and the border--reportedly less than 100 meters north of the Kuwaiti well.//

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//Kuwait currently has no producing oil wells near the drilling site. The Kuwait Oil Company began exploration in the area in 1964 but abandoned the operation after interference from Iraq. The Rumaila oil field, on the Iraqi side of the disputed border, is the largest in Iraq, with proved oil reserves of about 12 billion barrels. If the Rumaila field extends into Kuwait, border problems and development rights are likely to become an increasingly sensitive issue.//



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25X1 [redacted] //Preliminary estimates based on the discovery well indicate that there is sufficient oil to justify the development of the deposit. The drilling of a second well to confirm the size of the field is expected to start in mid-April.// 25X1

25X1 [redacted] //Even if the discovery is an extension of the Rumaila field, Kuwait could not immediately siphon large amounts of oil from Iraqi territory. Several development wells would have to be drilled first and a pipeline laid to connect the area with export facilities. Kuwait probably will act cautiously in these areas because it will not want to give Iraq a pretext for military action or for heightened support for subversives.//

25X1 [redacted] //Iraq has made no recent statements on the Kuwaiti drilling activity and may not be aware of the oil discovery. 25X1

USSR-AFGHANISTAN: Daoud's Visit

25X1 [redacted] //Afghan President Daoud arrived in Moscow yesterday for a state visit probably aimed at reassuring Soviet leaders that his recent constitutional changes will have no impact on Afghanistan's close relations with the USSR.//

25X1 [redacted] //Soviet-Afghan summits are generally an annual affair, and the USSR has been pressing since last November for Daoud to return a visit by President Podgorny to Afghanistan in

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December 1975. The Soviets were surprised by Daoud's rapprochement with Pakistani Prime Minister Bhutto last year, and they may also have wanted to smooth over frictions that reportedly had developed in the Soviet-Afghan military aid relationship.//

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[redacted] //Daoud apparently was not anxious to go to Moscow until after he had instituted the constitutional changes. When Moscow kept pressing, he sent Mohammed Naim, his brother and one of his key political advisers, to the USSR in January in an effort to keep the Soviets happy.//

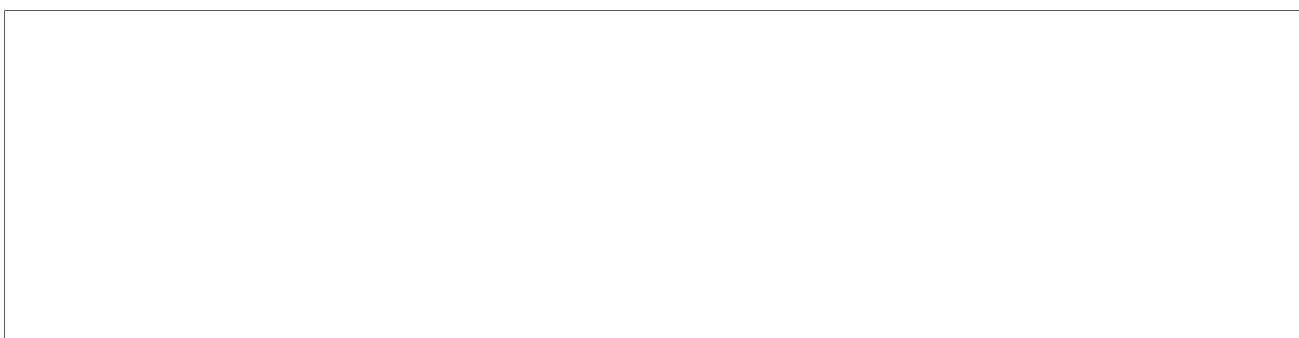
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[redacted] //Despite recent frictions, Daoud's visit should be a fairly harmonious one. He has been dealing with the Soviets for the many years he has been a political power in Afghanistan and knows how to reassure them. He almost certainly will promise, for example, to keep them better informed about developments in Afghanistan's relations with Pakistan.//

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[redacted] //Afghanistan is one of the top ten recipients of Soviet economic and military assistance, and some new projects might be announced. In January 1975, the Soviets extended \$425 million in new credits for Afghanistan's current five-year plan, only a small portion of which has thus far been allocated to specific projects. Last November, the Soviets sent a delegation to Kabul to do a feasibility study on a major new irrigation scheme.//

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NORTH YEMEN: Assassination Aftermath

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[redacted] The assassination last Sunday in London of a respected North Yemen political leader, former prime minister Abdallah al-Hajri, may prompt President Hamdi to move against

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[redacted]

tribal opponents. Although the identity of the assassin is not yet known, the North Yemenis believe one of two groups was responsible for the killing: either ousted leftist politicians in league with dissident tribesmen, or radical South Yemenis opposed to their country's growing ties with Saudi Arabia and North Yemen.

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[redacted] Al-Hajri was an arch-conservative and a close adviser to Hamdi; he was viewed by many as the unofficial number-two man in the government. He had been leading an effort to broaden the regime's base of support by establishing a pro-government political party encompassing the country's disparate political groups.

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[redacted] The US embassy believes Hamdi is likely to place the blame for al-Hajri's death on the leftist-tribal grouping, at least until contrary evidence is available. Tribesmen led by Hamdi's rival, Abdallah al-Ahmar, recently have again asserted their control over parts of northern North Yemen at the expense of the central government's authority. Hamdi also is irritated by tribal allegations to Saudi Arabia that he has "leftist" tendencies.

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[redacted] Hamdi will attempt to turn popular resentment over al-Hajri's death into support for his regime. As he has in the past, Hamdi is likely to move against the tribal dissidents by indirect political means rather than with military force. He probably will renew attempts to discourage contacts by the Saudis with his tribal rivals. [redacted]

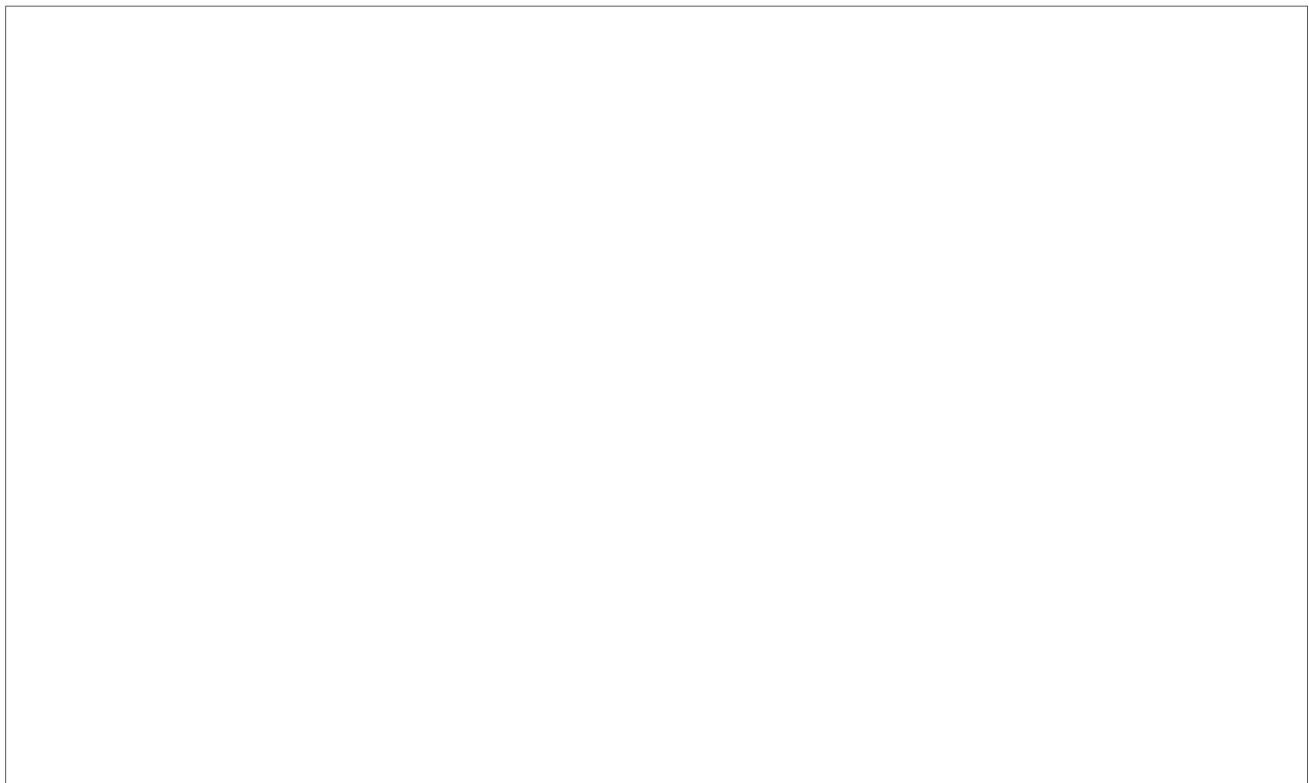
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**LAOS-THAILAND: Mekong Islands**

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[redacted] Lao government forces have dislodged rightist Lao rebels from two islands near Vientiane in the Mekong River, which forms the border between Laos and Thailand. The rebels seized one island late last month and another last week. Although the danger of Thai-Lao armed conflict over the incident has passed, the Lao regime is continuing to demand that Thai officials cease their alleged support for the rebels and turn over to Lao authorities those who fled the islands.

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[redacted] Both governments were anxious to avoid escalation of the incident. Lao officials warned Thailand of plans to recover the islands; the Thai agreed that the islands were Lao territory and pledged not to assist the rebels. Although the Lao government called a state of alert, reflecting concern that its attack on the islands might provoke a Thai reaction, the likelihood of a serious confrontation was never high.

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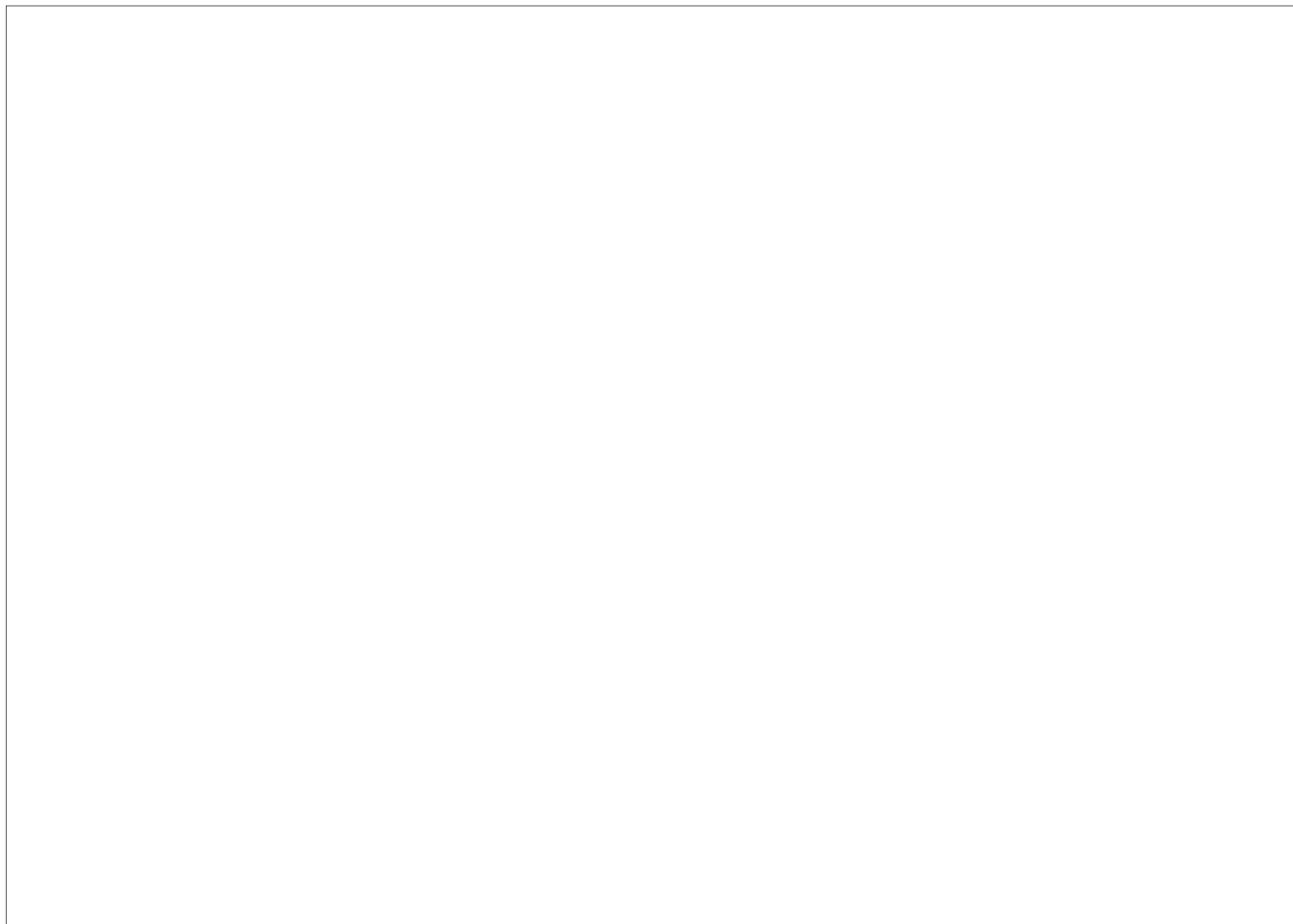
[REDACTED] The seizure of the islands by the rebels came after several weeks of Thai press reports about internal disorders in Laos.

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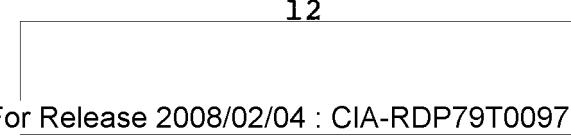
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Local Thai officials in the northeast are sympathetic to the resistance, however, and probably provide some assistance and encouragement. The issue will continue to be a serious point of contention between Bangkok and Vientiane.

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[redacted]

HAITI: Economic Problems

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[redacted] //The Haitian leadership, plagued with corruption and ineptitude, has been slow to come to grips with economic problems caused by severe drought, crop failures, and acute power shortages. This has led to increased questioning of young President Duvalier's leadership even among some of the nation's elite, who for the first time are personally experiencing hardships.//

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[redacted] //Crop failures and hoarding have led to a shortage of such basic foodstuffs as rice, corn, and beans, and the situation is worsening. Inflation and unemployment, although difficult to measure in the impoverished country, have risen significantly in the last year.//

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[redacted] Ironically, Duvalier's cautious efforts to foster economic development and allow greater domestic freedom--his almost six-year record compares favorably in this respect to the 14-year dictatorship of his father--add to his problems by creating an atmosphere in which criticism has begun to be heard.

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[redacted] //Duvalier may take the initiative against his critics. In a move reminiscent of the elder Duvalier's "demonstrations" of public support, the President is organizing a peasant march to the capital.

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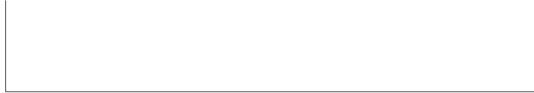
[redacted] //Marie-Denise Dominique, the President's ambitious sister, is a potential problem for him in the present palace intrigue.

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[redacted] The President's relations with his influential mother have also become strained.//

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[REDACTED] //Plotting by exiles, which is always present, will be spurred by the regime's continuing difficulties and at the least will help fuel the capital's rumor mill.//

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[REDACTED] //Leading military figures appear to be still loyal to Duvalier. There has been no serious plotting against the President at lower levels of the military, but dissatisfaction is beginning to be expressed by some middle-grade officers.// [REDACTED]

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